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**HOUSE MEDICARE “REFORM” PROPOSALS WOULD WIPE OUT
SOCIAL SECURITY COLAs FOR MANY SENIORS**

Washington, D.C. – **Joint Economic Committee Democrats** released a report yesterday showing that the House-passed Medicare prescription drug bill will wipe out an entire year’s Social Security cost-of-living adjustment. By 2013, the Republican plan will continue to significantly erode COLAs on an annual basis.

“This report exposes the chicanery of the House-passed Republican Medicare bill,” said **Rep. Pete Stark** (D-CA), Senior Democrat of the JEC. “Under the Republicans’ plan seniors would get an inadequate prescription drug benefit that’s going to cost them their Social Security COLAs and then some. The hidden costs of this bill endanger the financial security of our seniors.”

The key findings of the report include the following:

- The House-passed bill could increase beneficiaries’ premiums and deductibles by the average retired worker’s Social Security COLA. For a couple, the increase in Part B premiums and deductibles could actually *exceed* the Social Security COLA by 30 percent.
- Categories of seniors with typically lower incomes face even greater financial losses. Projected premium and deductible increases could exceed the projected average COLA for widows by 23 percent, for black single female retirees by 45 percent and black couples by 52 percent, for Hispanic single female retirees by 51 percent and Hispanic couples by 30 percent.
- After 2013, the annual increases in direct costs to beneficiaries due to this legislation would continue beyond the initial implementation of the new program and would easily consume 50 percent or more of seniors’ Social Security COLAs on an annual basis.

“We should celebrate Medicare’s anniversary by strengthening it, not weakening it,” said Rep. Stark. “Conferees should reject this misguided proposal and maintain Medicare’s promise of affordable health care which has worked so well for so many families during the last 38 years.”

The JEC Democrats’ report, *House Medicare “Reform” Proposals Would Wipe Out Social Security COLAs for Many Seniors*, is available online at

<http://jec.senate.gov/democrats/Documents/Reports/medicarecostsscolas30july2003.pdf>.

The Joint Economic Committee, established under the Employment Act of 1946, was created by Congress to review economic conditions and to analyze the effectiveness of economic policy.

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